

**Lawrence Berkeley National Laboratory
Contract Assurance Council
Minutes of the Quarterly Meeting**

**Wednesday, January 9, 2008
University of California—Office of the President
Franklin 9204**

CAC members or representatives present:

Bob Foley	Gary Falle for Bruce	Al Diaz
Bob Van Ness	Darling	John Layton, by phone
John Birely	Patrick Reed	John Oakley
Steve Beckwith	Buck Koonce	Bill Eklund for Jeff Blair

CAC members absent:

Anne Broome	Judy Boyette
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UCOP Staff:

Ron Nelson	Jim Hirahara	Sharon Eklund
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Guest participants:

David McGraw, LBNL	Jeffrey Fernandez, LBNL
Jennifer Ridgeway, LBNL	Jim Krupnick, LBNL
	John Chernowski, LBNL

Welcome/Action Items

Bob Foley welcomed the Council members and introduced Steve Beckwith, newly appointed UC Vice President, Research and Graduate Studies. Jim Hirahara reported on the action items:

- Item 33—Will report on this item at the February meeting.
- Item 34—Will report as the status of this item changes.
- Item 38—We will close this item based on what was suggested for Item 38 in the minutes of the December CAC meeting.
- Item 39—Will report on this item at the February meeting.
- Item 40—Will report on this item at a future meeting.

The Council should consider the December 2007 minutes final as distributed.

Facilities Review

Jennifer Ridgeway, LBNL Facilities Division Director, discussed her approach to providing facilities services so that they are aligned to support her key internal clients, the scientists, so that they are able to successfully accomplish Lab programmatic and research missions. She

is moving the organization forward quickly to dispel the facilities reputation for being reactive rather than proactive. To address the major challenge presented by a chronic lack of space, she is focusing on improving the current space and utilizing it more efficiently and effectively.

Ridgeway has organized the facilities division into three parts: development and assurance, which focuses on new projects; facilities business, which provides shared services (e.g., inspectors); and operations, which includes all maintenance. She reported that the Lab partially activated the Emergency Operations Center during the recent unusually strong storms. Facilities had earlier readied the storm drains and gutters for the rainy season, so there was only very minor flooding as a result of the storm, and LBNL is assessing the value of damages to see if it exceeds the threshold for the DOE reporting requirement.

EBI Update

Jim Krupnick reported on the current status of the Helios and Computational Research and Theory (CRT) facility projects. The Regents allocated to the Lab \$129 million to construct Helios, but the current estimated construction cost of the original design and location is \$160 million. A good portion of the increase is a result of closer examination of the site conditions including poor soil and difficult-to-construct access road. The Lab is carefully studying how to reduce the estimated cost by possibly re-siting the building, reducing the size and scope, etc. There is no apparent way to bring in the original scope for the current budget. In developing the budget estimate, LBNL utilized a 5% construction contingency as directed in the UC Capital Improvements Budget process. The Lab has promised 50,000 square to BP and may be able to meet part of the commitment by providing 24,000 square feet in Calvin Hall. Paul Gray, Director Chu, and Vice Chancellor Burnside are discussing the problem now. Due to stringent time constraints, the Lab based the construction estimate on an escalation of the actual cost of the Foundry construction per square foot.

The CRT Facility also is experiencing cost and schedule issues. The Berkeley City Planner and the City Council have expressed concerns about the height of the proposed building. The estimated cost of the current design has risen from \$70 million to \$85.7 million.

CATS Status

John Chernowski reported on overdue corrective actions in the CATS. The number of overdue actions is currently trending in the wrong direction—overdue items have doubled. In particular, new items have doubled, at least partially due to short turn-around times. More than 100 of the overdue items are in the ES&H area, resulting from the findings recorded during informal management walk-throughs and from nine recent targeted reviews. LBNL is now mandating that safety managers review their corrective actions and work them on schedule. The Council encouraged the Lab to develop more formal review and approval for CATS entries requiring institutional funding.

QA Review

Chernowski reported on a recent review conducted by one QA reviewer from BSO and one from Oak Ridge National Laboratory. They reviewed LBNL's QA program against four of the ten requirements in DOE Order 414.1C. LBNL has no specific QA assessments and reports but meets requirements through non-QA-specific means. One likely finding of the team is in regards to document control and records management. There is no stated institutional policy and no clear document control standards development. LBNL would like to bring in McCallum-Turner to do an assurance review in Fall 2008. The Council requested a follow-on briefing when the formal QA Review report was issued and corrective actions were developed.

Impact of FY08 Budget Cuts

David McGraw reported on the potential impact at LBNL, as well as in the Office of Science, resulting from last minute spending cuts included in the passage of the FY08 Federal Budget. While small, targeted staff reductions may be required in some parts of the Lab due to budget constraints, no overall reduction in force is anticipated. The final budget was disappointing because of lost opportunities for the Lab that were anticipated because of the strong support for physical sciences research early in the Congressional budget process.

Executive Session

The Council met with UCOP staff in closed session.

Action Items:

#	Responsible Party	Action	Date Added	Status
33	Fernandez LBNL	Report effectiveness of changes to and controls on signature authorities	08/15/07	OPEN—to be revisited in Jan. or Feb. 08
34	Fernandez LBNL	Updates on UCB/LBNL status of addressing the different indirect rate structures at the Lab versus Berkeley Campus	10/10/07 (discussions beginning on 08/15/07)	OPEN—future updates
39	Fernandez LBNL	Report on what measures UCB and LBNL take to require vendors to indemnify UC when the vendor is working at LBNL	12/12/07	OPEN
40	Fernandez LBNL	Report on how equipment owned by other organizations is managed at LBNL,	12/12/07	OPEN

		including maintaining accountability and operational safety assurance		
41	Krupnick LBNL	Provide follow-up report on status of Helios and CRT construction projects	01/08/08	OPEN
42	Chernowski LBNL	Provide follow-up on the contents of the QA final report and resulting corrective actions	01/08/08	OPEN
43	Chernowski LBNL	Report on any changes in the CATS process for reviewing and approving CATS entries requiring institutional funding.	01/08/08	OPEN
38	Hirahara UCOP Krupnick LBNL	Determine what types of issues from the LBNL issues management system should be brought to the CAC	11/07/07	Closed on 01/08/08